



General Assembly

Amendment

February Session, 2026

LCO No. 5414



Offered by:

SEN. LESSER, 9th Dist.
REP. GILCHREST, 18th Dist.
SEN. HOCHADEL, 13th Dist.

SEN. CABRERA, 17th Dist.
REP. GARIBAY, 60th Dist.
SEN. PERILLO J., 21st Dist.

To: Subst. Senate Bill No. 478

File No. 370

Cal. No. 257

"AN ACT CONCERNING CONSUMER SAFEGUARDS FOR LONG-TERM CARE POLICIES."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subsection (b) of section 38a-501 of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective July 1,*
5 *2026*):

6 (b) (1) No insurance company, fraternal benefit society, hospital
7 service corporation, medical service corporation or health care center
8 may deliver or issue for delivery any long-term care policy that has a
9 loss ratio of less than sixty per cent for any individual long-term care
10 policy. An issuer shall not use or change premium rates for a long-term
11 care policy unless the rates have been filed with and approved by the
12 commissioner. Any rate filings or rate revisions shall demonstrate that
13 anticipated claims in relation to premiums when combined with actual

14 experience to date can be expected to comply with the loss ratio
15 requirement of this section. A rate filing shall include the factors and
16 methodology used to estimate irrevocable trust values if the policy
17 includes an option for the elimination period specified in subdivision
18 (1) of subsection (a) of this section.

19 (2) An issuer shall file an annual report, not later than May first, with
20 the Insurance Commissioner on incurred losses and actual paid losses
21 for each long-term care policy issued in the state. The Insurance
22 Commissioner, in consultation with the Secretary of the Office of Policy
23 and Management, shall, not later than October 1, 2027, and annually
24 thereafter, file a report, in accordance with the provisions of section 11-
25 4a, with the joint standing committees of the General Assembly having
26 cognizance of matters relating to aging, human services and insurance
27 and real estate on the incurred loss and actual paid loss for each long-
28 term care policy in the past three calendar years. Such report shall state
29 which policies have been precertified pursuant to section 38a-475. Data
30 in such report shall be aggregated and deidentified. The Insurance
31 Department shall include a link to the report on the Insurance
32 Department's Internet web site, and the Secretary of the Office of Policy
33 and Management shall include a link to the report on the Internet web
34 site of the Office of Policy and Management.

35 (3) Not later than July 1, 2027, the Insurance Commissioner, in
36 consultation with the Secretary of the Office of Policy and Management,
37 may file a report, in accordance with the provisions of section 11-4a and
38 within available appropriations, with the joint standing committees of
39 the General Assembly having cognizance of matters relating to aging,
40 human services and insurance and real estate on the feasibility and
41 effect on access to long-term care insurance (A) of a requirement that
42 issuers of long-term care insurance policies provide policyholders an
43 opportunity to cancel such insurance and obtain full refunds of any
44 premiums paid since the start of the policies whenever such issuer files
45 for rate increases that exceed the rate of inflation; (B) the level of rate
46 increases that can be approved by the Insurance Commissioner if any

47 insurance company, fraternal benefit society, hospital service
48 corporation, medical service corporation or health care center is
49 required to include, as part of any long-term care policy rate increase
50 request, and (C) information related to the reinsurance market in the
51 state, including any recent impacts the reinsurance market has had on
52 the availability and cost of long-term care insurance policies and the
53 economic impact to the state. Data in such report shall be aggregated
54 and deidentified.

55 [(2)] (4) (A) Any insurance company, fraternal benefit society,
56 hospital service corporation, medical service corporation or health care
57 center that files a rate filing for an increase in premium rates for a long-
58 term care policy that is for twenty per cent or more shall spread the
59 increase over a period of not less than three years and not file a rate filing
60 for an increase in premium rates for the long-term care policy during
61 the period chosen. Such company, society, corporation or center shall
62 use a periodic rate increase that is actuarially equivalent to a single rate
63 increase and a current interest rate for the period chosen.

64 (B) Prior to implementing a premium rate increase, each such
65 company, society, corporation or center shall:

66 (i) Notify its policyholders of such premium rate increase and make
67 available to such policyholders the additional choice of reducing the
68 policy benefits to reduce the premium rate or electing coverage that
69 reflects the minimum set of affordable benefit options developed by the
70 commissioner pursuant to section 38a-475a. Such notice shall include a
71 description of such policy benefit reductions and minimum set of
72 affordable benefit options. The premium rates for any benefit reductions
73 shall be based on the new premium rate schedule;

74 (ii) Provide policyholders not less than thirty calendar days to elect a
75 reduction in policy benefits or coverage that reflects the minimum set of
76 affordable benefit options developed by the commissioner pursuant to
77 section 38a-475a; and

78 (iii) Include a statement in such notice that if a policyholder fails to
79 elect a reduction in policy benefits or coverage that reflects the
80 minimum set of affordable benefit options developed by the
81 commissioner pursuant to section 38a-475a by the end of the notice
82 period and has not cancelled the policy, the policyholder will be deemed
83 to have elected to retain the existing policy benefits.

84 Sec. 2. Section 38a-501 of the general statutes is amended by adding
85 subsection (i) as follows (*Effective July 1, 2026*):

86 (NEW) (i) (1) Whenever the Insurance Commissioner has reason to
87 believe that any insurance company, fraternal benefit society, hospital
88 service corporation, medical service corporation or health care center is
89 operating in violation of the provisions of this section, the commissioner
90 shall have the power to conduct an investigation pursuant to section
91 38a-16.

92 (2) If, upon investigation, the commissioner determines that an
93 insurance company, fraternal benefit society, hospital service
94 corporation, medical service corporation or health care center has
95 violated the provisions of this section, the commissioner may, following
96 a hearing in accordance with section 38a-16, order a corrective action
97 plan, impose administrative remedies or issue a penalty upon such
98 insurer in accordance with section 38a-2.

99 (3) At any time prior to the conclusion of a hearing being held
100 pursuant to subdivision (2) of this subsection, the commissioner may
101 permit an insurance company, fraternal benefit society, hospital service
102 corporation, medical service corporation or health care center to submit
103 a corrective action plan for the commissioner's approval.

104 (4) The commissioner may refer any suspected violations of this
105 section to the Attorney General for consideration of further remedies as
106 may be available under state or federal law.

107 Sec. 3. Subsection (b) of section 38a-528 of the general statutes is
108 repealed and the following is substituted in lieu thereof (*Effective July 1,*

109 2026):

110 (b) (1) No insurance company, fraternal benefit society, hospital
111 service corporation, medical service corporation or health care center
112 may deliver or issue for delivery any long-term care policy or certificate
113 that has a loss ratio of less than sixty-five per cent for any group long-
114 term care policy. An issuer shall not use or change premium rates for a
115 long-term care policy or certificate unless the rates have been filed with
116 the commissioner. Deviations in rates to reflect policyholder experience
117 shall be permitted, provided each policy form shall meet the loss ratio
118 requirement of this section. Any rate filings or rate revisions shall
119 demonstrate that anticipated claims in relation to premiums when
120 combined with actual experience to date can be expected to comply with
121 the loss ratio requirement of this section. On an annual basis, an insurer
122 shall submit to the commissioner an actuarial certification of the
123 insurer's continuing compliance with the loss ratio requirement of this
124 section. Any rate or rate revision may be disapproved if the
125 commissioner determines that the loss ratio requirement will not be met
126 over the lifetime of the policy form using reasonable assumptions.

127 (2) An issuer shall file an annual report, not later than May first, with
128 the Insurance Commissioner on incurred losses and actual paid losses
129 for each long-term care policy issued in the state. The Insurance
130 Commissioner, in consultation with the Secretary of the Office of Policy
131 and Management, shall, not later than October 1, 2027, and annually
132 thereafter, file a report, in accordance with the provisions of section 11-
133 4a, with the joint standing committees of the General Assembly having
134 cognizance of matters relating to aging, human services and insurance
135 and real estate on the incurred loss and actual paid loss for each long-
136 term care policy in the past three calendar years. Such report shall state
137 which policies have been precertified pursuant to section 38a-475. Data
138 in such report shall be aggregated and deidentified. The Insurance
139 Department shall include a link to the report on the Insurance
140 Department's Internet web site, and the Secretary of the Office of Policy
141 and Management shall include a link to the report on the Internet web

142 site of the Office of Policy and Management.

143 [(2)] (3) (A) Any insurance company, fraternal benefit society,
144 hospital service corporation, medical service corporation or health care
145 center that files a rate filing for an increase in premium rates for a long-
146 term care policy that is for twenty per cent or more shall spread the
147 increase over a period of not less than three years and not file a rate filing
148 for an increase in premium rates for the long-term care policy during
149 the period chosen. Such company, society, corporation or center shall
150 use a periodic rate increase that is actuarially equivalent to a single rate
151 increase and a current interest rate for the period chosen.

152 (B) Prior to implementing a premium rate increase, each such
153 company, society, corporation or center shall:

154 (i) Notify its certificate holders of such premium rate increase and
155 make available to such certificate holders the additional choice of
156 reducing the policy benefits to reduce the premium rate or electing
157 coverage that reflects the minimum set of affordable benefit options
158 developed by the commissioner pursuant to section 38a-475a. Such
159 notice shall include a description of such policy benefit reductions and
160 minimum set of affordable benefit options. The premium rates for any
161 benefit reductions shall be based on the new premium rate schedule;

162 (ii) Provide certificate holders not less than thirty calendar days to
163 elect a reduction in policy benefits or coverage that reflects the
164 minimum set of affordable benefit options developed by the
165 commissioner pursuant to section 38a-475a; and

166 (iii) Include a statement in such notice that if a certificate holder fails
167 to elect a reduction in policy benefits or coverage that reflects the
168 minimum set of affordable benefit options developed by the
169 commissioner pursuant to section 38a-475a by the end of the notice
170 period and has not cancelled the policy, the certificate holder will be
171 deemed to have elected to retain the existing policy benefits.

172 Sec. 4. Section 38a-528 of the general statutes is amended by adding

173 subsection (h) as follows (*Effective July 1, 2026*):

174 (NEW) (h) (1) Whenever the Insurance Commissioner has reason to
 175 believe that any insurance company, fraternal benefit society, hospital
 176 service corporation, medical service corporation or health care center is
 177 operating in violation of the provisions of this section, the commissioner
 178 shall have the power to conduct an investigation pursuant to section
 179 38a-16.

180 (2) If, upon investigation, the commissioner determines that an
 181 insurance company, fraternal benefit society, hospital service
 182 corporation, medical service corporation or health care center has
 183 violated the provisions of this section, the commissioner may, following
 184 a hearing in accordance with section 38a-16, order a corrective action
 185 plan, impose administrative remedies or issue a penalty upon such
 186 insurer in accordance with section 38a-2.

187 (3) At any time prior to the conclusion of a hearing being held
 188 pursuant to subdivision (2) of this subsection, the commissioner may
 189 permit an insurance company, fraternal benefit society, hospital service
 190 corporation, medical service corporation or health care center to submit
 191 a corrective action plan for the commissioner's approval.

192 (4) The commissioner may refer any suspected violations of this
 193 section to the Attorney General for consideration of further remedies as
 194 may be available under state or federal law."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2026</i>	38a-501(b)
Sec. 2	<i>July 1, 2026</i>	38a-501(i)
Sec. 3	<i>July 1, 2026</i>	38a-528(b)
Sec. 4	<i>July 1, 2026</i>	38a-528(h)